

**CITY OF MILPITAS**  
**MINUTES of: CITY COUNCIL (FINANCE) SUBCOMMITTEE**  
**Date/Time: Wednesday, March 18, 2015 – 4:00 p.m.**

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**I. CALL TO ORDER:** Vice Mayor Carmen Montano called the meeting to order at 4:05 p.m.

**Attendance:**

City Council: Jose Esteves, Mayor  
Carmen Montano, Vice Mayor

Staff: Thomas C. Williams, City Manager  
Emma Karlen, Assistant City Manager/Finance Director  
Steven Machida, City Engineer/Acting Public Works Director  
Michael Boitnott, Associate Civil Engineer  
Johnny Phan, Assistant City Attorney  
Dat Nguyen, Budget Manager

**II. PUBLIC FORUM:** None

**III. APPROVAL of MINUTES:** The February 26, 2015 minutes were approved.

**IV. ITEMS FOR DISCUSSION**

**A. Preliminary Water and Sewer Rates** – deferred to next meeting

**C. Credit Card Transaction Fee**

- Emma Karlen, Assistant City Manager/Finance Director – Presented to the Finance Subcommittee Proposed Credit Card Transaction Fee. Vice Mayor asked whether it is a norm to pass on credit card transaction fees to customers, how much does the bank charge us and are we going to disclose it to customers. Emma responded that it varies, ranging from 1.5% to 2% and the proposed fee may not fully recover what credit card companies charge us and yes, we would disclose it. Since credit card companies just recently allowed government entities like ours to pass on credit card fees to customers, there are a few government entities already pass on transaction fees to their customers, such as water districts or the county when paying property tax. Mayor asked whether we currently charge customers to recoup the cost of software and hardware. Emma responded yes, indirectly as our rates included those costs.

**ACTION:** Vice Mayor and Mayor recommended to City Council for approval of 1.5% credit card transaction fee on payments made by credit cards.

**D. Signature Authority**

- Emma Karlen, Assistant City Manager/Finance Director – Presented to the Finance Subcommittee City Manager Signature Authority Survey and Recommendations. Mayor

- asked how increasing the City Manager's contract authority helps the City. Emma responded it would help staff operate more efficiently and less items to be agendaized and less time to execute contracts. Mayor suggested staff remove proposed City Attorney's contract authority as all legal matters need to be presented to City Council. As for Settlement Authority, Mayor and Vice Mayor suggested staff keep the status quo and to look into the status of forming a committee to hear appeals from claims that were denied.
- Mayor inquired the basis for write-off, the largest amount on individual account, and using judicial mean for collection. Emma responded that we only write-off after we've exhausted all our means to collect and the accounts are at least a year old. Write offs are required so that our assets are not inflated. Johnny Phan, Assistant City Attorney mentioned that it would take a lot of effort to get a judgment and it might not be cost effective on the small amounts. The amount staff proposing is accumulative and not by individual account. Mayor suggested that no single account over \$10,000.

**ACTION: Vice Mayor and Mayor recommended:**

- **For Contract Authority, to City Council for approval to increase City Manager's non-legal contract authority to \$100,000 with regular reporting to City Council of contracts executed that are over \$50,000;**
- **For Settlement Authority, keep the status quo;**
- **For Write-Off Authority, to City Council for approval of City Manager and Finance Director jointly up to \$50,000 and Finance Director up to \$10,000 and no single account over \$10,000**

**B. FY15-20 Capital Improvement Program**

- Steven Machida, City Engineer/Acting Public Works Director – Presented to the Finance Subcommittee Draft FY15-20 Capital Improvement Program. Mayor inquired on the status of current year projects and suggested staff to include current fiscal year 2014-15 in the summary page. Michael Boitnott, Associate Civil Engineer responded that overall, we're on track and on target. Mayor and Vice Mayor asked whether we have funding available for all presented park projects for FY15-16 and who made decision on what projects to fund and priority and why wait five years for Alviso Adobe Renovation. Tom, Steven and Michael responded that we have funding available in Park Fund and Midtown Park Fund for proposed FY15-16 park projects but there are certain projects with unidentified funding in later years. As for projects funding priority, staff took directions from City Council and suggestions from Parks Recreation & Cultural Resources (PRCR).
- Vice Mayor suggested we look into grant funding availability from Open Space Authority for Berryessa Creek Trail Project and Mayor asked why McCandless Park Project is only allocated \$300,000 and nothing thereafter. Tom and Steven responded that we continuously seeking grant funding. As for McCandless Park Project, the amount allocated is for the study and design. In addition, we're still waiting on the school layout as such it is difficult to provide an estimate for the project until the design is done.
- Vice Mayor inquired on the funding availability from the State for recycled water. Tom and Steven responded that we're looking for grant funding or other finance mechanism and we would bring back to City Council any possible projects other than those presented

in the draft FY15-20 CIP. Mayor suggested we continue the item to next week meeting to give Finance Subcommittee members time to review.

**ACTION: Vice Mayor and Mayor recommended staff to bring back to Finance Subcommittee next meeting on March 25<sup>th</sup>.**

**V. OTHER BUSINESS**

None

**VI. NEXT MEETING – March 25<sup>th</sup>, 2015**

**VII. ADJOURNMENT – 6:10 PM**